

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
(313) 224-1078

TO: John Johnson, Corporation Counsel  
Law Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 29, 2008

RE: 2008-2009 Budget Analysis

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Attached is our budget analysis regarding your department's budget for the upcoming 2008-2009 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

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Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Sharon McPhail, General Counsel, Mayor's Office  
Norman White, Chief Financial Officer  
Pamela Scales, Budget Director  
Ervin Stewart, Budget Department Team Leader  
Kerwin Wimberly, Mayor's Office

## Law Department (32)

### FY 2008-09 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Law Department is a General Fund agency. The recommended 2008-09 Budget totals \$22.7 million, an increase of \$58,998 (0.2%) from the current fiscal year. The departmental revenues are decreasing by \$429,357 (13.6%). The department's net tax cost is \$20.0 million, which is an increase of \$488,355 (2.5%).

#### 2007-08 Surplus/(Deficit)

The Mayor anticipates that the Law Department will end up with a deficit of \$731,695. The department deficit is the net of an estimated appropriation surplus of \$968,305 from salary accounts, and a revenue deficit of \$1.7 million, identified as a revenue shortfall.

#### Overtime

The department has an overtime budget of \$26,791 in the current fiscal year. As of March 31, 2008, the department spent \$20,647 in overtime, 77.0% of budget. The recommended overtime budget for 2007-08 remains at \$26,791.

#### Personnel and Turnover Savings

The Mayor recommends adding a net of six positions in 2008-09.

The Mayor is not recommending any turnover savings for the Law Department for fiscal year 2008-09.

Following is information by appropriation comparing current FY 2007-08 positions, as of March 31, 2008 filled positions and FY 2008-09 recommended positions.

<u>Appropriation/Program</u>	<u>Redbook</u> <u>Positions</u> <u>FY 2007-</u> <u>08</u>	<u>Filled</u> <u>Positions</u> <u>3/31/2008</u>	<u>Mayor's</u> <u>Budget</u> <u>Positions</u> <u>FY 2008-</u> <u>09</u>	<u>Over/(Under)</u> <u>Actual to</u> <u>07/08</u> <u>Budget</u>	<u>Mayor's</u> <u>Recommend</u> <u>d</u> <u>Turnover</u>
<b>Law Department (32):</b>					
<b>00527 Administration &amp; Operations</b>	<b>142</b>	<b>132</b>	<b>148</b>	<b>(10)</b>	<b>\$ -</b>
<b>11544 Risk Management</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>
32XXXX Leave of Absence	0	0	0	0	\$ -
32XXXX Unmatched Positions	0	1	0	1	\$ -
<b>TOTAL</b>	<b><u>142</u></b>	<b><u>133</u></b>	<b><u>148</u></b>	<b><u>(9)</u></b>	<b><u>\$ -</u></b>

## Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
00527	Administration & Operations	Program increases by a net \$58,998 primarily for the following reasons:
		<ul style="list-style-type: none"> <li>• Salaries increase by \$287,949. The increase includes the addition of a net six positions.</li> <li>• Employee benefits and pensions go down \$158,563.</li> <li>• Professional &amp; contractual services increase by \$28,537.</li> <li>• Operating supplies increase by \$54,276 for more telecommunications and voice communications services.</li> <li>• Other expenses decrease by \$153,201, mainly in purchased services-other.</li> </ul>

### **Law (32)**

<u>Budgeted Professional and Contractual Services by Activity</u>	<u>FY 2007-08 Budget</u>	<u>FY 2008-09 Recommended</u>	<u>Increase (Decrease)</u>
Administration	\$ 1,665,234	\$ 1,693,771	\$ 28,537
Legislative Liaison	900,000	900,000	-
	<u>\$</u>		
<b>Total</b>	<b><u>2,565,234</u></b>	<b><u>2,593,771</u></b>	<b><u>28,537</u></b>

## Significant Revenue Changes by Appropriation and Source

00527	Administration & Operations	Program budgeted revenue totals \$2.7 million, a reduction of \$429,357 from the current fiscal year.
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### **Professional and Contractual Services and Budgeted FTE's of the Law Department 2000-01 through 2007-08**

	<u>FY 2002-03 Budget</u>	<u>FY 2003-04 Budget</u>	<u>FY 2004-05 Budget</u>	<u>FY 2005-06 Budget</u>	<u>FY 2006-07 Budget</u>	<u>FY 2007-08 Budget</u>	<u>FY 2008-09 Recommended</u>
<b>Law Dept.</b>							
<b>Contracts</b>	\$ 4,971,701	\$ 2,868,561	\$ 2,328,823	1,898,480	\$3,005,963	\$ 2,565,234	<b>\$ 2,593,771</b>
<i>Percentage Change +/-</i>	(25.22%)	(57.69%)	18.82%	(18.48%)	58.34%	(14.66%)	<b>1.1%</b>
<b>FTE's</b>	217	227	188	146	139	142	<b>148</b>
<i>Percentage Change +/-</i>	(0.91%)	4.61%	(17.2%)	(22.34%)	(4.79%)	2.16%	<b>4.23%</b>

## Issues and Questions

1. In reviewing the budgetary history of the Law Department, Professional & Contractual Services shrink to between 2003-04 and 2004-05 levels. In addition, the level of personnel does not increase by that much, a little over 4%. Is it the Law Department's strategy to develop more expertise and handle more cases in-house?
2. Page 32-12 of Executive Budget: there is an extensive reorganizing of personnel, including removing a Chief Asst Corporation Counsel, adding a Supervising Asst Corp Counsel (this is the opposite of what was done in the current year's budget), adding an Asst Corporation Counsel, adding a Legal Assistant, adding a Legal Secretary, removing a Principal Clerk, adding a Senior Clerk, and removing three Clerks. The reorganization results in adding a net of six positions to the Law Department next fiscal year. Please explain the rationale for the reorganization.
3. Page 32-2: it is indicated that the department has established the appropriate supervisory staff ratios as a result of a department-wide work force analysis. Please provide a copy of this analysis. With the reorganization cited in the second question above, are the supervisory staff ratios diminished or enhanced?
4. Provide a list of all fees and charges made by the Law Department. Include the amount of the current fee or charge. Indicate when the fee or charge was last changed, and the amount of the change. Indicate if the fee or charge was reviewed as part of the city-wide fee study conducted by Maximus. If the fee was included in the study what was the recommendation. Has the recommendation been implemented? If not provide an explanation of why the recommendation was not implemented.
5. Is the department involved in any activities that are not recorded as part of the city's financial reporting system? If so, identify what the activities are. Example, the Recreation Department has a Recreation Activity Fund whose financial records are maintained separately from the DRMS system.
6. Does the department use any automated or electronic systems not directly linked to the financial reporting system, DRMS? If so, identify what the systems are, and what the plans and timetable is to incorporate the system into DRMS. Example, the Mayor's Office has established a non-profit organization in connection with the proposed Neighborhood Initiative Program.
7. How has the department's interaction with the Mayor's general legal counsel improved legal services provided by the Law Department in the current fiscal year? What new initiatives are on the horizon for 2008-09?

Explain the rational for having legal counsel in any agency other than the Law Department.

8. On page 32-4 the department indicates under outputs that "Client Training Workshops" with 34 held in 2005-06 and 25 as a target for 2008-09. Are departments the clients referred to in this output? If not departments, who are the clients referred to? What departments have had training workshops? What departments are planned for 2008-09? Provide Council with an outline from these workshops.
9. How does the department plan to work with the Finance Department in 2008-09 to improve collections of delinquent accounts and scrub and completely write-off old and uncollectible accounts? Does the City Council approve all write-offs and cancellation of accounts of accounts receivables and due to/due froms?
10. Page 32-2: Update Council on the progress and results of the "pilot-scanning program referred to under Major Initiatives for FY 2007-08. Where is the Law Department along in the process of "electronic fillings of pleadings and documents project?
11. Page 32-4: please provide a copy of the six risk management reports produced in the current fiscal year.
12. Page 32-4: why is there "N/A" in 2006-07 and 2007-08 and 2008-09 for the number of cases handled by outside counsel? What is the Law Department rational or policy for use of outside counsel?
13. Explain the lack of revenue collections in the current year, Mayor's surplus/deficit indicates a \$1.7 million revenue shortfall for the current year, and the budget revenues are \$430,000 lower on a budget to budget basis.

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